

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	CASE NO. 9546-D
MOUNTAIN UTILITIES, INC.)	

O R D E R

On October 20, 1986, the Commission issued its Order in Case No. 9546 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On October 21, 1987, Mountain Utilities, Inc., ("Mountain") notified the Commission that its wholesale cost of gas would be increased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective November 1, 1987, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission. After reviewing the record filed in this case and being advised, the Commission is of the opinion and finds that:

(1) Mountain's notice of October 21, 1987, set out certain revisions in rates which Mountain proposed to place into effect, said rates being designed to pass on the wholesale increase in gas cost from its supplier in the amount of \$19,485 or 33.75 cents per Mcf.

(2) Kentucky West filed an application for increased rates to become effective November 1, 1987, with the Federal Energy Regulatory Commission.

(3) A legislative change in KRS Chapter 278, effective July 15, 1986, requires 30-days' notice of a change in rates with the Commission having the discretion to shorten the required period to 20 days upon showing of good cause. Reduction in rates will, as always, be made effective with the date of the supplier decrease. Increases in rates will be effective with 20-days' notice providing that: 1) the effective date from the supplier is not more than 20 days in the future, in which case the actual effective date will be used, and 2) the company has included in its filing a specific request that a tariff sheet or some other notification from the supplier be considered a showing of good cause for 20-days' notice. Mountain included no request for a showing of good cause for 20-days' notice. The effective date will, therefore, be 30 days after Mountain's notice, or November 20, 1987.

(4) Mountain's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 9546 dated October 20, 1986, is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after November 20, 1987.

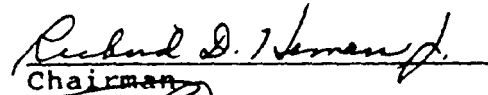
IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after November 20, 1987.

(2) Within 30 days of the date of this Order Mountain shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 28th day of October, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9546-D DATED 10/28/87

The following rates and charges are prescribed for the customers served by Mountain Utilities, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First	1 Mcf	\$6.9854 per Mcf
All Over	1 Mcf	6.2254 per Mcf

Minimum Bill: \$6.99
(When less than 1 Mcf is used)

The base rate for the future application of the purchased gas adjustment clause of Mountain Utilities, Inc., shall be:

Commodity

Kentucky West Virginia Gas Company	\$2.6003/Dth*
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*Including Gas Research Institute Funding Charge of \$0.0152 per Dth.